

Schedule 13
Change Request for FY 2008-09 Budget Cycle

Decision Item FY 2008-09 ☐

Base Reduction Item FY 2008-09 ☐

Supplemental FY 2007-08 ☐

Budget Request Amendment FY 2008-09 ☒

Request Title: **Multi-Agency Fleet Vehicle Maintenance**

Department: **Department of Public Safety**

Priority Number: **NP CDOT-BA-1**

Dept. Approval by: 

Date: **January 10, 2008**

OSP Approval: 

Date: **1-17-08**

		1	2	3	4	5	6	7	8	9	10
Fund		Prior-Year Actual FY 2006-07	Appropriation FY 2007-08	Supplemental Request FY 2007-08	Total Revised Request FY 2007-08	Base Request FY 2008-09	Decision/Base Reduction FY 2008-09	November 1 Request FY 2008-09	Budget Amendment FY 2008-09	Total Revised Request FY 2008-09	Change from Base (Column 5) FY 2009-10
Total of All Line Items	Total	2,956,399	3,218,931	-	3,218,931	4,336,555	-	4,336,555	218,361	4,554,916	206,548
	FTE	1.0	1.0	-	1.0	1.0	-	1.0	1.0	2.0	1.0
	GF	109,531	233,975	-	233,975	406,917	-	406,917	-	406,917	-
	CF	547,256	686,644	-	686,644	561,997	-	561,997	-	561,997	-
	HUTF	340,250	711,559	-	711,559	1,116,906	-	1,116,906	-	1,116,906	-
	CFE	980,004	914,007	-	914,007	2,198,684	-	2,198,684	218,361	2,417,045	206,548
	FF	979,358	672,746	-	672,746	52,051	-	52,051	-	52,051	-
(1) Executive Director's Office	Total	497,998	918,026	-	918,026	1,341,006	-	1,341,006	598	1,341,604	598
(A) Administration	FTE	-	-	-	-	-	-	-	-	-	-
Amortization Equalization	GF	109,531	198,657	-	198,657	308,220	-	308,220	-	308,220	-
Disbursement	CF	25,047	53,967	-	53,967	72,185	-	72,185	-	72,185	-
	HUTF	340,250	588,877	-	588,877	844,779	-	844,779	-	844,779	-
	CFE	23,170	44,144	-	44,144	76,446	-	76,446	598	77,044	598
	FF	-	32,381	-	32,381	39,376	-	39,376	-	39,376	-
(1) Executive Director's Office	Total	-	185,187	-	185,187	431,272	-	431,272	280	431,552	187
(A) Administration	FTE	-	-	-	-	-	-	-	-	-	-
Supplemental Amortization	GF	-	35,318	-	35,318	98,697	-	98,697	-	98,697	-
Equalization Disbursement	CF	-	11,243	-	11,243	23,266	-	23,266	-	23,266	-
	HUTF	-	122,682	-	122,682	272,127	-	272,127	-	272,127	-
	CFE	-	9,199	-	9,199	24,507	-	24,507	280	24,787	187
	FF	-	6,745	-	6,745	12,675	-	12,675	-	12,675	-
(2) Colorado State Patrol Safety and Law Enforcement Support	Total	2,458,401	2,115,718	-	2,115,718	2,564,277	-	2,564,277	217,483	2,781,760	205,763
	FTE	1.0	1.0	-	1.0	1.0	-	1.0	1.0	2.0	1.0
	GF	-	-	-	-	-	-	-	-	-	-
	CF	522,209	621,434	-	621,434	466,546	-	466,546	-	466,546	-
	HUTF	-	-	-	-	-	-	-	-	-	-
	CFE	956,834	860,664	-	860,664	2,097,731	-	2,097,731	217,483	2,315,214	205,763
	FF	979,358	633,620	-	633,620	-	-	-	-	-	-

Letternote revised text:

Cash Fund Name/Number, Federal Fund Grant Name:

IT Request ☐ Yes ☒ No

Request Affects Other Departments: ☒ Yes ☐ No

If Yes, List Other Departments Here: **Department of Personnel and Administration**

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Request Title: Multi-Agency Fleet Vehicle Maintenance
 Department: Personnel & Administration
 Priority Number: Non-Prioritized Budget Amendment #2 (CDOT-BA-1)

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09 ☒

Dept. Approval by: *[Signature]* Date: January 23, 2008
 OSPB Approval: *[Signature]* Date: 1-17-08

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	17,746,418	18,515,691	0	18,515,691	18,515,691	0	18,515,691	(240,907)	18,274,784	(240,907)
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	17,746,418	18,515,691	0	18,515,691	18,515,691	0	18,515,691	(240,907)	18,274,784	(240,907)
	FF	0	0	0	0	0	0	0	0	0	0
(4) Division of Central Services											
Fleet Management and	Total	17,746,418	18,515,691	0	18,515,691	18,515,691	0	18,515,691	(240,907)	18,274,784	(240,907)
Motor Pool Services,	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	17,746,418	18,515,691	0	18,515,691	18,515,691	0	18,515,691	(240,907)	18,274,784	(240,907)
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: COFRS Fund 607 (Motor Fleet Management Fund)

IT Request: ☐ Yes ☒ No

Request Affects Other Departments: ☐ Yes ☒ No If Yes, List Other Departments Here:

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Request Title: Multi-Agency Fleet Vehicle Maintenance
 Department: Human Services
 Priority Number: NP-1 (CDOT-BA-1)

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09 ☒

Dept. Approval by: *Raymond J. [Signature]*
 OSPB Approval: *[Signature]*

Date: 1/2/08
 Date: 1/17/08

		1	2	3	4	5	6		8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,118,100	3,732,447	0	3,732,447	5,736,023	0	5,736,023	115,181	5,851,204	103,274
	FTE	1.1	2.1	0.0	2.1	2.1	0.0	2.1	0.5	2.6	0.5
	GF	896,173	1,877,122	0	1,877,122	3,136,053	0	3,136,053	0	3,136,053	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	38,052	78,976	0	78,976	67,062	0	67,062	0	67,062	0
	CFE	934,928	1,245,516	0	1,245,516	1,775,875	0	1,775,875	115,181	1,891,056	103,274
	FF	248,947	530,833	0	530,833	757,033	0	757,033	0	757,033	0
	MCF	298,480	532,152	0	532,152	1,022,430	0	1,022,430	0	1,022,430	0
	MGF	149,083	263,044	0	263,044	510,435	0	510,435	0	510,435	0
	NGF	1,045,256	2,140,166	0	2,140,166	3,646,488	0	3,646,488	0	3,646,488	0
(3) Office of Operations	Total	619,607	618,445	0	618,445	618,666	0	618,666	114,742	733,408	102,882
Special Purpose	FTE	1.1	2.1	0.0	2.1	2.1	0.0	2.1	0.5	2.6	0.5
State Garage Fund	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	619,607	618,445	0	618,445	618,666	0	618,666	114,742	733,408	102,882
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	0	0	0	0	0	0	0	0	0
(1) Executive Director's Office	Total	1,498,493	2,631,927	0	2,631,927	3,875,868	0	3,875,868	299	3,876,167	299
(A) General	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	GF	896,173	1,592,902	0	1,592,902	2,372,913	0	2,372,913	0	2,372,913	0
SB 04-257 Amortization	GFE	0	0	0	0	0	0	0	0	0	0
Equalization	CF	38,052	65,360	0	65,360	51,179	0	51,179	0	51,179	0
Disbursement	CFE	315,321	531,021	0	531,021	876,399	0	876,399	299	876,698	299
	FF	248,947	442,644	0	442,644	575,377	0	575,377	0	575,377	0
	MCF	298,480	450,698	0	450,698	774,253	0	774,253	0	774,253	0
	MGF	149,083	224,919	0	224,919	386,484	0	386,484	0	386,484	0
	NGF	1,045,256	1,817,821	0	1,817,821	2,759,397	0	2,759,397	0	2,759,397	0

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Request Title: Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09 ☒
Department: Multi-Agency Fleet Vehicle Maintenance
Priority Number: Human Services
 NP-1 (CDOT-BA-1)

Dept. Approval by: _____ **Date:** _____
OSPb Approval: _____ **Date:** _____

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
(1) Executive Director's											
Office	Total	0	482,075	0	482,075	1,241,489	0	1,241,489	140	1,241,629	93
(A) General	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	GF	0	284,220	0	284,220	763,140	0	763,140	0	763,140	0
SB 06-235 Supplemental	GFE	0	0	0	0	0	0	0	0	0	0
Amortization	CF	0	13,616	0	13,616	15,883	0	15,883	0	15,883	0
Equalization	CFE	0	96,050	0	96,050	280,810	0	280,810	140	280,950	93
Disbursement	FF	0	88,189	0	88,189	181,656	0	181,656	0	181,656	0
	MCF	0	81,454	0	81,454	248,177	0	248,177	0	248,177	0
	MGF	0	38,125	0	38,125	123,951	0	123,951	0	123,951	0
	NGF	0	322,345	0	322,345	887,091	0	887,091	0	887,091	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: State Garage Fund #607

IT Request: ☐ Yes ☒ No

Request Affects Other Departments: ☒ Yes ☐ No

If Yes, List Other Departments Here: Department of Personnel and Administration, Department of Public Safety

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Request Title: Mult-Agency Fleet Vehicle Maintenance
 Department: Department of Transportation
 Priority Number: BA - 1

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09 ☒

Dept. Approval by: *[Signature]* Date: January 7, 2008
 OSPB Approval: *[Signature]* Date: 1/14/08

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	22,855,277	23,929,075	0	23,929,075	23,929,075	0	23,929,075	452,763	24,381,838	421,172
	FTE	219.7	219.7	0.0	219.7	219.7	0.0	219.7	2.0	221.7	2.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	22,855,277	23,929,075	0	23,929,075	23,929,075	0	23,929,075	452,763	24,381,838	421,172
	FF	0	0	0	0	0	0	0	0	0	0
TRANSPORTATION Administration	Total	22,855,277	23,929,075	0	23,929,075	23,929,075	0	23,929,075	452,763	24,381,838	421,172
	FTE	219.7	219.7	0.0	219.7	219.7	0.0	219.7	2.0	221.7	2.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	22,855,277	23,929,075	0	23,929,075	23,929,075	0	23,929,075	452,763	24,381,838	421,172
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text: a) Of this amount, \$22,452,289 shall be from the State Highway Fund pursuant to Sections 43-4-205 (5) (a) and 43-1-113, C.R.S., and \$1,929,549(T) shall be funded internally by various cash funds exempt sources in the Department. Included in this amount is \$473,958 for 6,580 hours of legal services. b) Of this number, 206.7 FTE are administrative FTE funded by the State Highway Fund pursuant to Sections 43-4-205 (5) (a) and 43-1-113, C.R.S., and 15.0 FTE are funded internally by various cash fund exempt sources in the Department.

Cash Fund name/number, Federal Fund Grant name: Internal Cash Fund

IT Request: ☐ Yes ☒ No

Request Affects Other Departments: ☒ Yes ☐ No If Yes, List Other Departments Here: Human Services, Public Safety, Personnel & Administration

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Multi-Agency (Department of Transportation - lead agency)
Priority Number:	BA – 1
Change Request Title:	Multi-Agency Fleet Vehicle Maintenance

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☐ Supplemental Request FY 07-08
- ☒ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☒ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

For **FY 2008-09**, multiple departments request **3.5 FTEs** and **\$545,398 cash funds exempt (from interagency transfers)** to service State fleet vehicles at state operated facilities which are currently serviced at private garages. For **FY 2009-10 and beyond**, those departments request **3.5 FTEs** and **\$490,087 cash funds exempt (from interagency transfers)**.

The State Fleet Program presently outsources fleet vehicle repairs as outlined within this request. This request is expected to reduce those annual expenditures by approximately \$240,907 annually. It is anticipated that the savings that result from this request will flow through to all departments that utilize fleet vehicles and use state garages for service work beginning in FY 2009-10 via reduced per mileage charges from state fleet.

Background and Appropriation History:

Section 24-30-1104 (2) (a), C.R.S. (2007) authorizes the Department of Personnel and Administration to *establish and operate a central state motor vehicle fleet system and such subsidiary-related facilities as are necessary to provide for the efficient and economical use of state-owned motor vehicles by state officers and employees*. Section 24-30-1104 (2)(b), C.R.S. (2007) directs the department to *establish and operate central*

facilities for the maintenance, repair, and storage of state-owned passenger motor vehicles for the use of state agencies; utilize any available state facilities for that purpose; and enter into contracts with such facilities as are necessary to carry out the provisions of this part 11.

The Department of Personnel and Administration typically leases fleet vehicles to other agencies and as owner of the vehicles accepts responsibility for maintaining those vehicles. When a vehicle is due for maintenance or repair and depending on the nature of the repair the Department of Personnel and Administration directs the departments to a private vendor who will perform work on the vehicle. Because several State agencies operated their own facilities prior to the 1992 implementation of the above statute, the Department of Personnel and Administration often utilizes the service shops of those agencies to perform service work on vehicles leased by those same agencies. Those agencies then bill the State fleet program for their repair work, at rates approximating \$50 hourly. At present, State agencies provide little or no repair services for vehicles leased by other departments. With vehicles based throughout the State and a number of agencies possessing no internal repair shops, the Department of Personnel and Administration must outsource much of the current repair work to private garages at hourly rates usually exceeding \$80.

This request will, if approved, add a total of 3.5 FTEs across those agencies that have facility capacity that will allow them to service additional fleet vehicles. The estimated \$240,907 in annual savings would then be passed on to the lessees of the vehicles through a corresponding reduction in per-mile charges from the Department of Personnel and Administration in subsequent fiscal years. To ensure (1) that the Department of Personnel and Administration and lessee agencies recognize the actual savings anticipated in this request and (2) that the servicing agencies are provided with sufficient workloads and service payment to pay for their additional FTEs, agencies will ramp up to these FTE and funding levels as demand from the fleet program dictates. Agencies will be fiscally constrained by the lesser of the spending authority appropriation from this request and actual revenues derived by servicing fleet vehicles. The hourly billable rates must be annually reviewed and appropriately adjusted as necessary but are not anticipated to exceed private garage rates.

General Description of Request:

In certain circumstances a reduction in outsourcing to the private sector and increased usage of existing State assets can result in savings to the State. One of these instances can be found at State vehicle maintenance and repair garages that can fill shift mechanic positions and service more vehicles at rates lower than private garages.

In FY 2005-06, over 950 vendors performed work on State vehicles. The State fleet program alone paid \$5.2 million in FY 2005-06 to private vehicle repair shops. (The Departments of Transportation, Higher Education, and Public Safety still own and maintain some vehicles. These vehicles are not part of the State fleet program and not part of this request although these Departments maintain garages that are included in the request.) In FY 2006-07, that total fell slightly to \$4.9 million. The allocation by agency of fleet vehicles outsourced by the State fleet program on behalf of each agency is exhibited in Table 1 below.

The need for 3.5 FTE (rounded to the half FTE) is hereby calculated:

Of the \$4.9 million, \$2.3 million (approximately 48%) constituted labor costs and the balance was parts. A private sector mechanic bills approximately \$150,000 of labor annually. This request assumes that an appropriate distribution of State Equipment Mechanic II and Equipment Mechanic III are comparable to private sector mechanics in efficiency and in annual billable hours. This \$2.3 million therefore would consume approximately 15.6 full-time mechanics if all work were brought (“in-house”) to State facilities. However, State Fleet Management staff indicates that 65% of this workload (oil changes, tire work, etc.) could capably be brought in-house, given appropriate staffing levels and allocation. Some service work cannot practically be brought in-house to State shops based on travel distance or repair complexity. An analysis of work performed throughout the State indicates that approximately 35% of this work is geographically located in areas that are conducive to bringing the work to State garages in Denver Metro and Grand Junction (GJ).

Table 1
FY 2006-07 Private Shop Labor Costs Incurred by State Fleet on Behalf of Agencies

Department	Payment Amount
PUBLIC SAFETY	\$1,044,203
AGRICULTURE	\$91,301
CORRECTION	\$492,473
EDUCATION	\$17,594
HEALTH	\$94,111
HIGHER EDUCATION	\$278,074
HUMAN SERVICES	\$344,502
LAW	\$19,014
LOCAL AFFAIRS	\$29,920
LABOR & EMPLOYMENT	\$29,829
MILITARY AFFAIRS	\$16,361
NATURAL RESOURCES	\$1,235,216
REVENUE	\$205,666
REGULATORY AGENCIES	\$75,197
SECRETARY OF STATE	\$18
TRANSPORTATION	\$708,239
OFFICE OF GOVERNOR	\$2,564
PERSONNEL & ADMINISTRATION	\$146,337
JUDICIAL	\$34,458
Total	\$4,865,076

$\$2,339,500 \text{ labor costs / year} * 65\% \text{ State capable} * 35\% \text{ Denver/GJ}$
 $= \$532,236 \text{ outsourced labor costs / year that can be in-housed}$

$\$532,236 \text{ labor costs} / \$150,000 \text{ billed annually / mechanic} = 3.6 \text{ mechanics}$

The Departments of Transportation, Public Safety, and Human Services operate vehicle repair facilities that are capable of servicing additional fleet vehicles with added FTEs. Based on geographic locations, available equipment, and accessibility for other agencies, four sites have been identified as plausible hosts for additional fleet service work. Some sites are currently operating at first shift capacity, and thus must hire second or third shift FTEs. Other sites have capacity during first shift. For any site that takes on new shifts, the agency seeks an Equipment Mechanic III FTE to supervise the shift and provide expertise for non-routine repair work. Other positions would be filled with Equipment Mechanic II. The proposed allocation by Department is provided in Table 2 below.

Table 2
Proposed Allocation of FTE by Department and Classification

Department	Potential Sites	Mechanic II	Mechanic III	Total FTE
Human Services	Ft. Logan, Grand Junction	0.5	0.0	0.5
Public Safety	Golden	1.0	0.0	1.0
Transportation	Denver HQ	1.0	1.0	2.0
Total		2.5	1.0	3.5

Start-up operating costs vary with FTE classification and shop need. Using Transportation as an example, Table 3 below depicts the costs for tools and work equipment per mechanic and per shop. Each mechanic requires his or her own set of tools, including pneumatic or air tools for an Equipment Mechanic III. Purchases of other equipment, such as diagnostics scanners and scheduling software, will be dictated by demand from the fleet program.

Table 3
Required Mechanic Tools, Equipment, and Other Operating

<u>Item</u>	<u>Mechanic II</u>	<u>Mechanic III</u>
Mechanic's tools (including air tools for M III)	\$ 12,000	\$ 20,000
Misc. shop equipment (uniforms, safety eqpt, etc.)	<u>\$ 750</u>	<u>\$ 750</u>
Total estimated equipment	\$ 12,750	\$ 20,750

At the roughly \$52 hourly rate billed to the State fleet program, these agencies are expected to recover such outlays and ongoing overhead through billable service work. Thus, interagency transfers will fund these expenses, but only as business from the Department of Personnel and Administration dictates.

Service work that these shops may perform include preventative maintenance, oil changes, tire changes and balancing, brake work, electrical/lighting repair, minor engine work and transmission and coolant system draining, flushing, and refilling. Service work that cannot be performed includes alignments, repair and replacement of engines and transmissions, glass work, and body work.

The Department of Personnel and Administration will begin to realize savings in FY 2008-09 as a result of utilizing state garages. These savings will occur in Long Bill group (4) Central Services, within the Fleet Management Program and Motor Pool Services Division, Operating Expenses line item. Corresponding budgetary impacts for benefiting State agencies will be subsequently realized in FY 2009-10 when new rates (which are based on the most recent twelve month period) are set for those Departments that lease State fleet vehicles.

As such, a budget reduction of \$240,907 cash funds exempt is being requested for the Department of Personnel and Administration's Operating Expenses line item for FY

2008-09. Additional budget reductions for individual benefiting State agencies will be realized in subsequent fiscal years (beginning in FY 2009-10) and will be submitted at a future date, once actual data can be collected.

Consequences if Not Funded:

If not funded, the Department of Personnel and Administration will continue to outsource a significant amount of vehicle service each year. Utilizing the State shops as proposed in this request is anticipated to save approximately \$240,907 per year. State Fleet Management and Department of Public Safety staff indicates that private vendors charge an hourly rate for labor ranging from \$80-\$110. The State billable rate will initially approximate \$52. The savings, therefore, to the Department of Personnel and Administration (and participating departments) of \$532,236 on private sector labor approximates \$240,907.

$$\$532,236 \text{ (calculated above)} * ((\$95 - \$52) / \$95) = \$240,907$$

Calculations for Request:

See Appendix A for detailed calculations by Department provided under the “Calculations for Request”. A corresponding offset in reduced Department of Personnel and Administration maintenance expenses is reflected here as a budget reduction of \$240,907 cash funds exempt. Corresponding per mileage charges to other agencies will eventually be reduced to reflect the maintenance savings.

<u>Department of Transportation</u> <u>Summary of Request FY 08-09</u>	Total Funds	General Fund	Cash Funds	Cash Funds Exempt*	Federal Funds	FTE
Total Department Request	\$452,763	\$0	\$0	\$452,763	\$0	2.0
(1) Administration*	\$452,763	\$0	\$0	\$452,763	\$0	2.0

* Transportation FTEs will be funded from its Administration line as an internal cash fund, requiring legislative approval.

<u>Department of Transportation</u> <u>Summary of Request FY 09-10</u>	Total Funds	General Fund	Cash Funds	Cash Funds Exempt*	Federal Funds	FTE
Total Department Request	\$421,172	\$0	\$0	\$421,172	\$0	2.0
(1) Administration*	\$421,172	\$0	\$0	\$421,172	\$0	2.0

* Transportation FTEs will be funded from its Administration line as an internal cash fund, requiring legislative approval.

<u>Department of Human Services</u> Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	\$115,181	\$0	\$0	\$115,181	\$0	0.5
(1) Executive Director's Office – S.B. 04-257 Amortization Equalization Disbursement	\$299	\$0	\$0	\$299	\$0	0.0
(1) Executive Director's Office – S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$140	\$0	\$0	\$140	\$0	0.0
(3) Office of Operations – (B) Special Purpose – State Garage Fund	\$114,742	\$0	\$0	\$114,742	\$0	0.5

<u>Department of Human Services</u> Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	\$103,274	\$0	\$0	\$103,274	\$0	0.5
(1) Executive Director's Office – S.B. 04-257 Amortization Equalization Disbursement	\$299	\$0	\$0	\$299	\$0	0.0
(1) Executive Director's Office – S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$93	\$0	\$0	\$93	\$0	0.0
(3) Office of Operations – (B) Special Purpose – State Garage Fund	\$102,882	\$0	\$0	\$102,882	\$0	0.5

<u>Department of Public Safety</u> Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	\$218,361	\$0	\$0	\$218,361	\$0	1.0
(1) Executive Director's Office – S.B. 04-257 Amortization Equalization Disbursement	\$598	\$0	\$0	\$598	\$0	0.0
(1) Executive Director's Officer – S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$280	\$0	\$0	\$280	\$0	0.0
(2) Colorado State Patrol – Safety and Law Enforcement Support	\$217,483	\$0	\$0	\$217,483	\$0	1.0

<u>Department of Public Safety</u> Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	\$206,548	\$0	\$0	\$206,548	\$0	1.0
(1) Executive Director's Office – S.B. 04-257 Amortization Equalization Disbursement	\$598	\$0	\$0	\$598	\$0	0.0
(1) Executive Director's Officer – S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$187	\$0	\$0	\$187	\$0	0.0
(2) Colorado State Patrol – Safety and Law Enforcement Support	\$205,763	\$0	\$0	\$205,763	\$0	1.0

<u>Department of Personnel and Administration</u> Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0
(1) Administration	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0

<u>Department of Personnel and Administration</u> Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Department Request	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0
(1) Administration	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0

<u>Total</u> Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$545,398	\$0	\$0	\$545,398	\$0	3.5
Total Department of Transportation*	\$452,763	\$0	\$0	\$452,763	\$0	2.0
Total Department of Human Service	\$115,181	\$0	\$0	\$115,181	\$0	0.5
Total Department of Public Safety	\$218,361	\$0	\$0	\$218,361	\$0	1.0
Total Department of Personnel & Administration	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0

* Transportation FTEs will be funded from its Administration line as an internal cash fund, requiring legislative approval.

<u>Total</u> Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$490,087	\$0	\$0	\$490,087	\$0	3.5
Department of Transportation*	\$421,172	\$0	\$0	\$421,172	\$0	2.0
Department of Human Service	\$103,274	\$0	\$0	\$103,274	\$0	0.5
Department of Public Safety	\$206,548	\$0	\$0	\$206,548	\$0	1.0
Department of Personnel & Administration	(\$240,907)	\$0	\$0	(\$240,907)	\$0	0.0

* Transportation FTEs will be funded from its Administration line as an internal cash fund, requiring legislative approval.

Assumptions for Calculations:

- Estimates for (1) annual billable work per mechanic from the Department of Transportation staff, (2) rates for outsourced service from State Fleet Management and Department of Public Safety staff, (3) percent of work that could be in-housed from State Fleet Management staff, and (4) other pertinent assumptions were derived from affected Departments.
- Allocation of FTE by agency and classification and start-up cost estimates are based on discussions with the Department of Personnel and Administration and with those agencies concerning available capacity, service capabilities, accessibility, and anticipated demand for services.
- 1,500 billable hours per FTE at \$52 hourly are needed for State agencies to recover costs associated with new FTEs.
 $\sim \$50,000 / \text{year} / \text{FTE (Appendix A)} + \sim \$30,000 \text{ annual overhead} = \$80,000$
 $\$80,000 \text{ annual FTE cost} / \$52 \text{ billable hourly} = 1,538 \text{ hours annually}$
- \$163,058 in parts per FTE has been calculated based on the same assumptions used when computing labor costs (parts are 52% of total repair costs; 65% of work can capably be performed at State garages; 35% is geographically proximate to Denver metro and Grand Junction). As with labor costs, parts costs are funded through interagency transfers and paid for by the Department of Personnel and Administration. This does not constitute a request for new funds, only for internal spending authority.

Impact on Other Government Agencies: There are three types of impacts on State agencies:

- (1) Beginning in the first year of implementation, Human Services, Public Safety, and Transportation will incur costs associated with the hiring of additional FTEs, as depicted in Appendix A. Those costs can be recovered with a \$52 hourly billable rate to State fleet on approximately 1,500 billable annual hours per FTE. Billable rates and workloads must be reviewed annually.
- (2) The Department of Personnel and Administration will recognize savings of \$240,907 once this request is fully implemented (see *Consequences if not Funded*).
- (3) After one year, the State fleet program should be able to reduce its per mile charge associated with this recognized savings, thereby enabling all State agencies with fleet vehicles to recognize reduced relative vehicle operating charges. See Table 4 below.

Table 4
Projected Reduction of Fleet Mileage Charges with Implementation of Request

Department	FY 07 Outsourced Service	Estimated Labor (48%)	Savings if 22.75% done by State*
PUBLIC SAFETY	\$1,044,203	\$502,132	\$51,706
AGRICULTURE	\$91,301	\$43,904	\$4,521
CORRECTION	\$492,473	\$236,819	\$24,386
EDUCATION	\$17,594	\$8,461	\$871
HEALTH	\$94,111	\$45,256	\$4,660
HIGHER EDUCATION	\$278,074	\$133,719	\$13,770
HUMAN SERVICES	\$344,502	\$165,663	\$17,059
LAW	\$19,014	\$9,143	\$942
LOCAL AFFAIRS	\$29,920	\$14,388	\$1,482
LABOR & EMPLOYMENT	\$29,829	\$14,344	\$1,477
MILITARY AFFAIRS	\$16,361	\$7,868	\$810
NATURAL RESOURCES	\$1,235,216	\$593,986	\$61,165
REVENUE	\$205,666	\$98,900	\$10,184
REGULATORY AGENCIES	\$75,197	\$36,160	\$3,724
SECRETARY OF STATE	\$18	\$9	\$1
TRANSPORTATION	\$708,239	\$340,576	\$35,070
OFFICE OF GOVERNOR	\$2,564	\$1,233	\$127
PERSONNEL & ADMINISTRATION	\$146,337	\$70,370	\$7,246
JUDICIAL	\$34,458	\$16,570	\$1,706
Total	\$4,865,076	\$2,339,500	\$240,907

* State garages are capable of performing 65% of outsourced work. 35% of that is geographically feasible.

Cost Benefit Analysis:

After the first-year purchase of start-up equipment, this request offers a net annual benefit to the State of **\$240,907** in FY 2009-10 and beyond.

As calculated in Table 4 and in *Consequences if not Funded*, an estimated \$532,236 of currently outsourced labor will be reduced to \$291,329 in labor billed by other State departments, thus reducing labor costs charged to the Department of Personnel and Administration by \$240,907. Parts costs are expected to remain the same.

Implementation Schedule:

Task	Month/Year
DEPARTMENT OF PERSONNEL AND ADMINISTRATION – State fleet program begins directing additional service work	July 1, 2008
DEPARTMENT OF PERSONNEL AND ADMINISTRATION – State fleet program begins recognizing labor cost savings	July 1, 2008
Humans Services, Public Safety, Transportation announce positions as demand dictates	July-December, 2008
Hire new Equipment Mechanic FTEs	July-December, 2008
Review billable rate and workloads	June, 2009
DEPARTMENT OF PERSONNEL AND ADMINISTRATION – State fleet program implements new per mileage charge, reflecting savings	July 1, 2009

Statutory and Federal Authority:

Section 24-30-1104 (2)(a), C.R.S. (2007) authorizes the Department of Personnel and Administration to establish and operate a central state motor vehicle fleet system and such subsidiary-related facilities as are necessary to provide for the efficient and economical use of state-owned motor vehicles by state officers and employees.

Section 24-30-1104 (2)(b), C.R.S. (2007) directs the department to establish and operate central facilities for the maintenance, repair, and storage of state-owned passenger motor vehicles for the use of state agencies; utilize any available state facilities for that purpose; and enter into contracts with such facilities as are necessary to carry out the provisions of this part 11.

Performance Measures:

There is not one specific performance measure that this change request will affect for the involved Departments. This request does however lead to savings and more effective utilization of existing State resources.

Appendix A

FTE Calculations and Operating Costs by Department

Department of Human Services - FTE and Operating Request					
FTE and Operating Costs				GRAND TOTAL	
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES	Title:	Equip. Mechanic II			
Number of PERSONS / class title		1	1		
Number of months <u>working in</u> FY 08-09 and FY 09-10		6	6		
Number months <u>paid in</u> FY 08-09 and FY 09-10*		6	6		
Calculated FTE per classification		0.5	0.5	0.5	0.5
Annual base salary		\$37,344	\$37,344		
Salary		\$18,672	\$18,672	\$18,672	\$18,672
PERA	10.15%	\$1,895	\$1,895	\$1,895	\$1,895
Medicare	1.45%	\$271	\$271	\$271	\$271
Prior Year SAED	N/A	\$0	\$140	\$0	\$140
Subtotal Personal Services at Division Level		\$20,838	\$20,978	\$20,838	\$20,978
Subtotal AED at EDO Long Bill Group Level	1.60%	\$299	\$299	\$299	\$299
Subtotal SAED at EDO Long Bill Group Level	Varies	\$140	\$93	\$140	\$93
OPERATING EXPENSES					
Mechanic's Tools (III includes air gun add'l \$8K)	\$12,000	\$12,000	\$0	\$12,000	\$0
Misc. shop equipment	\$750	\$375	\$375	\$375	\$375
Parts for vehicles (\$163,058 per FTE)	\$163,058	\$81,529	\$81,529	\$81,529	\$81,529
Subtotal Operating Expenses		\$93,904	\$81,904	\$93,904	\$81,904
GRAND TOTAL ALL COSTS		\$115,181	\$103,274	\$115,181	\$103,274

Appendix A (cont.)
FTE Calculations and Operating Costs by Department

Department of Public Safety - FTE and Operating Request					
FTE and Operating Costs				GRAND TOTAL	
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES	Title:	Equip. Mechanic II			
Number of PERSONS / class title		1	1		
Number of months <u>working in</u> FY 08-09 and FY 09-10		12	12		
Number months <u>paid in</u> FY 08-09 and FY 09-10*		12	12		
Calculated FTE per classification		1.0	1.0	1.0	1.0
Annual base salary		\$37,344	\$37,344		
Salary		\$37,344	\$37,344	\$37,344	\$37,344
PERA	10.15%	\$3,790	\$3,790	\$3,790	\$3,790
Medicare	1.45%	\$541	\$541	\$541	\$541
Prior Year SAED	N/A	\$0	\$280	\$0	\$280
Subtotal Personal Services at Division Level		\$41,675	\$41,955	\$41,675	\$41,955
Subtotal AED at EDO Long Bill Group Level	1.60%	\$598	\$598	\$598	\$598
Subtotal SAED at EDO Long Bill Group Level	Varies	\$280	\$187	\$280	\$187
OPERATING EXPENSES					
Mechanic's Tools (III includes air gun add'l \$8K)	\$12,000	\$12,000	\$0	\$12,000	\$0
Misc. shop equipment	\$750	\$750	\$750	\$750	\$750
Parts for vehicles (\$163,058 per FTE)	\$163,058	\$163,058	\$163,058	\$163,058	\$163,058
Subtotal Operating Expenses		\$175,808	\$163,808	\$175,808	\$163,808
GRAND TOTAL ALL COSTS		\$218,361	\$206,548	\$218,361	\$206,548

Appendix A (cont.)

FTE Calculations and Operating Costs by Department

Department of Transportation - FTE and Operating Request							
FTE and Operating Costs						GRAND TOTAL	
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES	Title:	Equip. Mechanic II	Equip. Mechanic III				
Number of PERSONS / class title		1	1	1	1		
Number of months <u>working in</u> FY 08-09 and FY 09-10		12	12	12	12		
Number months <u>paid in</u> FY 08-09 and FY 09-10*		12	12	12	12		
Calculated FTE per classification		1.0	1.0	1.0	1.0	2.0	2.0
Annual base salary		\$37,344	\$37,344	\$44,400	\$44,400		
Salary		\$37,344	\$37,344	\$44,400	\$44,400	\$81,744	\$81,744
PERA	10.15%	\$3,790	\$3,790	\$4,507	\$4,507	\$8,297	\$8,297
Medicare	1.45%	\$541	\$541	\$644	\$644	\$1,185	\$1,185
Prior Year SAED	N/A	\$0	\$280	\$0	\$333	\$0	\$613
Subtotal Personal Services at Division Level		\$41,675	\$41,955	\$49,551	\$49,884	\$91,226	\$91,839
Subtotal AED at EDO Long Bill Group Level	1.60%	\$598	\$598	\$710	\$710	\$1,308	\$1,308
Subtotal SAED at EDO Long Bill Group Level	Varies	\$280	\$187	\$333	\$222	\$613	\$409
OPERATING EXPENSES							
Mechanic's Tools (III includes air gun add'l \$8K)	\$12,000	\$12,000	\$0	\$20,000	\$0	\$32,000	\$0
Misc. shop equipment	\$750	\$750	\$750	\$750	\$750	\$1,500	\$1,500
Parts for vehicles (\$163,058 per FTE)	\$163,058	\$163,058	\$163,058	\$163,058	\$163,058	\$326,116	\$326,116
Subtotal Operating Expenses		\$175,808	\$163,808	\$183,808	\$163,808	\$359,616	\$327,616
GRAND TOTAL ALL COSTS		\$218,361	\$206,548	\$234,402	\$214,624	\$452,763	\$421,172